GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3608
ANSWERED ON:25.08.2006
AMENDEMENT IN FEMA
Chowdhury Shri Adhir Ranjan;Nikhil Kumar Shri

Will the Minister of FINANCE be pleased to state:

(a) whether the Government/Reserve Bank of India proposes to amend FEMA rules that have blocked FDI in various areas ;

(b) if so, the details thereof;

(c) whether FEMA violation cases have been increasing in nexus with the officials of his Ministry and exporters/importers; and

(e) if so, the details thereof and the action plan Government propose to take in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) Ministry of Commerce, Deptt. of Industrial Policy and Promotion have recently liberalized Foreign Direct Investment (FDI) Policy vide Press Note 4 (2006 Series). Reserve Bank of India is in the process of amending the relevant FEMA Regulation.

(c)&(d) There is no information about any nexus of officials of the Ministry and exporters/importers resulting in increase in FEMA violation cases.